

EXHIBIT D

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 -----x
4 SHEA DEVELOPMENT CORP,
5 et al.,
6 Plaintiffs
7 DOCKET NO.: CV-07-11201 (DLC)
8 -vs- New York, New York
9 July 10, 2008
10 CHRISTOPHER WATSON, et al.,
11 Defendants
12 -----x
13 TRANSCRIPT OF CIVIL CAUSE FOR SETTLEMENT CONFERENCE
14 BEFORE THE HONORABLE GABRIEL W. GORENSTEIN
15 UNITED STATES MAGISTRATE JUDGE
16 A P P E A R A N C E S:
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1 ADDITIONAL APPEARANCES

2 For the Defendants:

JAMES E. DAVIES, ESQ.
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& Ford P.C.
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1 (Recording on)

2 THE CLERK: -- versus Watson, docket zero seven civil
3 one one two zero one.

4 Counsels, please state your name for the record and
5 introduce your clients.

6 MR. BARIL: My name is Steve Baril. I represent the
7 plaintiff.

8 With me is Brendan Dowd -- he's with the O'Melveny
9 firm -- who is counsel of record for the plaintiff in the
10 companion state court proceeding pending in the Supreme Court
11 of New York.

12 Behind me, to my right, is Frank Wilde, who is the
13 chairman and CEO of formerly Shea Development, now Riptide.

14 And standing directly behind me is Frank Mooney of
15 the Dunnington firm, whose firm initiated the lawsuit back in
16 December of 2007 and whose firm actually handled the merger and
17 acquisition between these parties in 2007.

18 THE COURT: Okay.

19 MR. DAVIES: Yes, Your Honor. James Davis, from
20 Landman Corsi Ballaine & Ford. I represent the defendant,
21 Christopher Watson, who's standing next to me.

22 THE COURT: Okay.

23 Welcome, everyone. You can be seated. Let me tell
24 you a little bit about our process. First --

25 (Audio gap)

1 THE COURT: -- so I'm asking the clerk to turn off
2 the record.

3 (Recorder off/recorder on)

4 THE COURT: All right. We're back on the record.
5 The parties have engaged in settlement negotiations, and we've
6 reached a deal. I'm going to try saying the terms of that deal
7 and will give -- after I do each term, I'll just check with the
8 attorneys that I've correctly stated it. And after I'm
9 finished, I'll ask the clients present whether they're agreeing
10 to it.

11 The parties do expect to do some paperwork on this
12 deal. However, they have reached an agreement as is going to
13 be reflected during this conference. So even in the absence o
14 the paperwork, this is an enforceable settlement. All right.

15 The tender of stocks and warrants that has been made
16 by Mr. Watson will be accepted. He represents that these are
17 all the stocks and warrants and that's going to be verified by
18 the plaintiff.

19 Next is all pending litigation is to be dismissed
20 with prejudice, and appropriate releases from all parties --
21 from parties to that litigation.

22 Next is the defendant, Mr. Watson, is going to be
23 personally responsible for whatever tax liability is determined
24 to exist with respect to the IRS and Virginia with respect to
25 the particular tax problem that's been discussed.

1 As part of the process of determining that tax
2 liability, Mr. Watson is going to be responsible for hiring any
3 accountants that he needs in order to accomplish that. He will
4 also have authority, final authority, with respect to any
5 settlement of that tax liability with either the IRS or
6 Virginia.

7 That tax liability is -- there's going to be some
8 money held in escrow specifically for the purpose of paying
9 that tax liability, but that money is going to be the property
10 of Mr. Watson to be released to him for the purpose of the
11 payment of that tax liability, and any remaining money will go
12 to him personally.

13 The plaintiff will return to Mr. Watson -- will
14 transfer to Mr. Watson the GSA MOBIS contract, a BMW, and
15 certain business equipment that's been the subject of the
16 settlement letters that every party appears to be familiar
17 with.

18 The non-compete clauses that are in the contracts of
19 any Bravera employees and of Mr. Watson will be released and
20 deemed null and void from this day forward.

21 The plaintiff will have the option of terminating the
22 Reston lease on thirty days' notice.

23 The escrow, by the way, will be put in an interest-
24 bearing account that Mr. Watson will arrange and, of course,
25 any interest earned on that will be his property. All right.

1 I'm going to ask the attorneys if there are any
2 corrections -- oh, and the money. The amount of money in
3 escrow is two hundred -- to be put in escrow that I mentioned
4 is two hundred seventy-five thousand, and Mr. Watson is to be
5 paid in cash the amount of one hundred seventy-five thousand.

6 And I don't think we specifically said it, but
7 obviously, releases need to be executed by any parties to this
8 litigation, general releases. And the payment should be made
9 within thirty days of the execution, I would say, of any -- of
10 the releases. Okay.

11 Does anyone want to add or change any terms that I've
12 said?

13 MR. DAVIES: Just a clarification, Your Honor. The
14 two hundred and seventy-five thousand dollars that is to be
15 held in escrow for payment of any tax liability, the remainder
16 of which is to be released to Mr. Watson or his holding company
17 -- that is to be funded by the plaintiffs, is that correct?

18 THE COURT: That's correct.

19 MR. DAVIES: Thank you.

20 (Off the record discussion)

21 (Recorder off/recorder on)

22 THE COURT: -- some minor corrections and additional
23 terms.

24 Mr. Davies?

25 MR. DAVIES: Yes. The parties have agreed that the

1 two hundred and seventy-five thousand dollars that is to be
2 delivered in escrow will be available for delivery in escrow in
3 fourteen days and will be so delivered.

4 With respect to the remaining one hundred and
5 seventy-five thousand dollars in cash, that cash will be
6 forwarded to my office as the attorney for Mr. Watson or
7 pursuant to wiring instructions fifteen days after execution
8 and completion of the final settlement agreement.

9 THE COURT: Something else from you, Mr. Baril, or
10 your colleague?

11 MR. DOWD: This is Mr. Dowd. Yeah. With the -- Your
12 Honor, with the GSA MOBIS contract, both parties understand
13 that this is going to require the consent of the GSA.
14 Therefore, what -- therefore, what Riptide will be doing is
15 making its best efforts to novate the contract and obtain the
16 GSA's consent to have this contract be in Mr. Watson's name or
17 Intellectus's name.

18 MR. DAVIES: So stipulated.

19 THE COURT: Okay.

20 Any other terms? Mr. Davies?

21 MR. DAVIES: Nothing, Your Honor.

22 THE COURT: Mr. Baril?

23 MR. BARIL: No, sir.

24 THE COURT: Okay. Okay.

25 So, Mr. Baril, is this your understanding of the

1 agreement as we've stated it here on the record today?

2 MR. BARIL: It is, Your Honor.

3 THE COURT: Mr. Davies, is it your understanding?

4 MR. DAVIES: Yes, Your Honor.

5 THE COURT: Mr. Wilde, are you agreeing to this on
6 behalf of Shea, Riptide, and any other related entities?

7 MR. WILDE: Yes, Your Honor.

8 THE COURT: Mr. Watson, are you agreeing to this on
9 behalf of all -- of Intellectus, you yourself, and any other
10 entities you control?

11 MR. WATSON: Yes, Your Honor.

12 THE COURT: Okay.

13 Thank you, everything.

14 MR. DAVIES: Thank you, Your Honor.

15 MR. BARIL: Thank you.

16 THE COURT: Oh, one other thing. This is going to be
17 confidential, which means the parties are only to tell
18 accountants, lawyers, immediate family members, or if they
19 might be required to disclose anything about it by law or
20 subpoena.

21 Anything else from anybody?

22 MR. BARIL: May we have a copy?

23 THE COURT: You can order it. I'll give you a form
24 to do that.

25 MR. BARIL: Thank you.

1 THE COURT: All right.
2 Thank you, everyone.
3 MR. DAVIES: Thank you, Your Honor.
4 * * * * *